



## AGENDA BILL APPROVAL FORM

|  |                                 |   |
|--|---------------------------------|---|
| <b>Agenda Subject:</b><br>City of Auburn Alarm Administration Contract (Third Party)   |                                 | <b>Date:</b><br>04/28/09  |
| <b>Department:</b><br>Police   | <b>Attachments:</b><br>Contract | <b>Budget Impact:</b>   |
| <b>Administrative Recommendation:</b><br><br>City Council authorize the Mayor and City Clerk to execute an agreement with AOT Public Safety for administrative services related to false alarms in the City of Auburn.   |                                 |   |
| <b>Background Summary:</b><br><br>On January 20, 2009, the City Council adopted Ordinance No. 6216 which amended the false alarm code. The new code provided that the Chief of Police could engage a consulting company to administer the false alarm code. In February 2009, the City requested proposals for administration of the false alarm ordinance and two proposals were received. Based on an evaluation of the responses, staff recommends the Council enter into a contract with AOT Public Safety Corporation for the design, implementation and management of administration services for false alarms.  |                                 |   |
| P0504-1<br>A3.16.8   |                                 |   |
| <b>Reviewed by Council &amp; Committees:</b><br><div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Arts Commission<br/> <input type="checkbox"/> Airport<br/> <input type="checkbox"/> Hearing Examiner<br/> <input type="checkbox"/> Human Services<br/> <input type="checkbox"/> Park Board<br/> <input type="checkbox"/> Planning Comm.         </div> <div style="width: 45%;"> <b>COUNCIL COMMITTEES:</b><br/> <input type="checkbox"/> Finance<br/> <input type="checkbox"/> Municipal Serv.<br/> <input type="checkbox"/> Planning &amp; CD<br/> <input type="checkbox"/> Public Works<br/> <input type="checkbox"/> Other _____         </div> </div> |                                 | <b>Reviewed by Departments &amp; Divisions:</b><br><div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Building<br/> <input type="checkbox"/> Cemetery<br/> <input type="checkbox"/> Finance<br/> <input type="checkbox"/> Fire<br/> <input checked="" type="checkbox"/> Legal<br/> <input type="checkbox"/> Public Works<br/> <input type="checkbox"/> Information Services         </div> <div style="width: 45%;"> <input type="checkbox"/> M&amp;O<br/> <input type="checkbox"/> Mayor<br/> <input type="checkbox"/> Parks<br/> <input type="checkbox"/> Planning<br/> <input checked="" type="checkbox"/> Police<br/> <input type="checkbox"/> Human Resources         </div> </div> |
| <b>Action:</b><br>Committee Approval: <input type="checkbox"/> Yes <input type="checkbox"/> No<br>Council Approval: <input type="checkbox"/> Yes <input type="checkbox"/> No<br>Referred to _____ Until ____/____/____<br>Tabled _____ Until ____/____/____<br><div style="text-align: right;">Call for Public Hearing ____/____/____</div>  |                                 |   |
| <b>Councilmember:</b> Cerino   |                                 | <b>Staff:</b> Kelly   |
| <b>Meeting Date:</b> May 4, 2009   |                                 | <b>Item Number:</b> V.C.2   |

## **CONTRACT FOR FALSE ALARM BILLING AND TRACKING SERVICES**

**THIS CONTRACT FOR FALSE ALARM TRACKING AND BILLING SERVICES** (this "Contract") made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by and between the **City of Auburn, a Washington municipal corporation** ("Auburn") and **AOT Public Safety Corporation** ("Contractor" or "PSC"), a corporation of the State of Maryland with its principal offices located in Waldorf, Maryland.

### **WITNESSETH:**

**Whereas**, on January 20, 2009, the Auburn City Council adopted an Ordinance (No. 6216) amending Chapter 9.30 of the City Code related to alarm systems and false alarms effective January 26, 2009 ("Alarm Ordinance"); and

**Whereas**, the goal of Auburn is to encourage more responsible use of alarm systems and to reduce the number of false alarms to which peace officers must respond by accurately tracking false alarm instances and assessing fees and penalties as required by the Alarm Ordinance; and

**Whereas**, in its implementation of the Ordinance, Auburn circulated in February 2009 a Request for Proposal for False Alarm Administration Services ("RFP") to provide, without limitation, the management of the False Alarm Ordinance so that property owners who utilize alarm systems can be held accountable for multiple false alarms through a system of permit, false alarm and related fees;

**Whereas**, PSC created and markets the proprietary and patented (U.S. Patent No. 6,856,246) software system called CryWolf® ("Software"), an integrated suite of software applications operating in a Windows-based environment, designed to assist false alarm reduction managers and planners in government agencies and industry in accessing information relevant to false alarms, and which has been developed at PSC's private expense for the commercial marketplace and is not in the public domain; and

**Whereas**, the Contractor submitted the most favorable proposal for the design, implementation and management of administration services for false alarms ("Proposal") using its proprietary commercial off-the-shelf false alarm Software;

**Whereas**, Auburn has accepted the proposal by the Contractor that was responsive to the RFP, and desires to engage the Contractor to perform the false alarm billing and tracking services described in the RFP and outlined in Attachment A; and

**Whereas**, the Contractor desires to accept such engagement.

**Now, Therefore**, the parties agree as follows:

#### **1. Term.**

The term of this Contract shall commence as of the date first written above (the "Effective Date") and unless terminated as herein provided shall exist and continue for an initial term of one (1) year.

Auburn shall have the right at its option to extend the Contract for additional periods of one (1) year each upon the same terms and conditions. The total contract period shall not exceed five (5) years from the Effective Date. The option shall be deemed exercised in each successive year upon written notice by Auburn to the Contractor. The notice shall not be later than sixty (60) days prior to the expiration of the then effective remaining term.

## **2. Contract Documents and Order of Precedence.**

The contract documents consist of the following Attachments which are incorporated into the Contract by this reference:

A. **Attachment A**, describes the Scope of Services to be provided by the Contractor and the City's operational responsibilities; **Attachment B**, Payment Terms; and, **Attachment C**, including the Auburn Request for Proposals (RFP) for a Contract for False Alarm Administration Services; and the Contractor's response to the RFP under its proposal to the City of Auburn (Proposal);.

B. The Order of Precedence shall be as follows: (1) this Contract; (2) Attachments A and B; (3) the RFP; and, (4) the Proposal.

## **3. Alarm Management Scope of Services.**

A. The Contractor shall provide the False Alarm Administration Services (FAAS) in accordance with the **Scope of FAAS Services described in Attachment A**.

B. The Scope of FAAS Services shall assist Auburn in managing its Alarm Ordinance to include, without limitation, registration of responsible persons (including individuals, businesses and government agencies) who use alarm systems, issuance and notification of alarm permits and permit fees, issuance and notification of false alarm penalties in accordance with the Alarm Ordinance and at the direction and under the supervision of Auburn's Alarm Administrator, maintenance of a database of registered persons who use alarm systems, management of false alarm occurrences, collection of fees the collection and enforcement of penalties for violations, generating performance and outcome reports and assuring the availability to Auburn of false alarm information, all as more specifically described in **Attachment A - Scope of FAAS Services**.

## **4. Software license.**

Auburn shall be licensed and authorized to use the Software and any additional specific customization and development provided as part of the FAAS Services, all in accordance with **Attachment A**. The license shall cover all the Software, including, without limitation, software interfaces and software modifications. The scope of the license is non-transferable and non-exclusive and is authorized by PSC for use by Auburn to access its false alarm information.

## **5. Duration of the Software License.**

Auburn shall have the right to use the Software in accordance with **Attachment A** for so long as the Contractor provides FAAS Services to Auburn or in accordance with the Termination provisions in this Contract. This license shall apply for the duration of the Contract and any extensions provided for herein or agreed to in writing by the parties. In the event the business relationship with PSC is terminated or ended for any reason, Auburn's license rights to use the

Software shall likewise terminate except as provided for in this Contract, including **Attachment B**.

#### **6. Modification of the Software.**

A. Modifications or adaptations of the Software shall be limited to creating interfaces between the Software and Auburn's computer systems required to import or export data in order to implement the Software. Software "customization" includes, without limitation, adaptations necessary to meet the requirements established by Auburn for reasonable program, technical, and/or legislative changes.

B. Auburn shall retain a nonexclusive License to use the modified and/or "customized" interfaces with the Software, *provided, however*, the use of the original Software with such adaptations in any projects other than the management of the Alarm Ordinance shall be subject to additional compensation to PSC in an amount and subject to terms to be determined by the parties in writing prior to any such additional use.

#### **7. Protecting Confidential Information.**

The proprietary information of both parties, PSC and Auburn, is and shall remain the valuable intellectual property of each respective party. Except as required by law, neither party shall disclose any such information to any third party for any reason without the express written consent of the other party and shall only use proprietary information for internal purposes to facilitate and assist PSC and Auburn staff in the administration of the Alarm Ordinance. In addition, the parties shall provide reasonable safeguards to protect their respective software, hardware systems and data from unauthorized intrusion by third parties.

Names, addresses, type of alarm, identification information of any alarm monitoring company, or identification information of any person cited under the Alarm Ordinance shall not be released, exhibited or sold to a third party by PSC.

All data received hereunder shall be made a part of the Auburn's permanent records and files and preserved therein for a period in accordance with the requirements of Washington law, Auburn will inform PSC of the required retention time in writing as soon as that information is released by the Washington Secretary of State.

#### **8. Reproduction and Copyright.**

A. The Software is protected under the Copyright and Patent laws of the United States, and as extended by treaty, with Canada. Auburn may not copy, or allow anyone else to copy or otherwise reproduce, any part of the Software without the prior written consent of PSC, except to store and/or install a copy of the Software on a storage device, such as a network server, used only to run the Software on other computers over an internal network and except for two copies for back-up or archive purposes.

B. Auburn may copy the licensed Software as necessary to its hard disks or other such storage medium to efficiently operate the Software on Auburn's single-user system, multiple-user system, or network. The Software shall be copied as a whole, and the use of the copies shall be governed by this Contract. All other copying is prohibited.

9. **Limitations on the Use of the Software.**

Auburn may not reverse engineer, decompile, or disassemble the Software. The Software is licensed as a single product. Its component parts may not be separated.

10. **Notices of Intellectual Property Rights.**

Auburn shall assure that PSC's notices of intellectual property (e.g., patent, trademark, and copyright notices) provided by PSC, if any, shall remain visible on the Software when displayed electronically, or when output created by it, is printed.

11. **Payment.**

Auburn shall pay the Contractor for the FAAS Services described, in accordance with **Attachment B** ("Payment Terms"). Auburn is a Washington public entity and all financial obligations extending beyond the current fiscal year are subject to funds being budgeted and appropriated therefore.

12. **Collection of Fines.**

Auburn shall support the collection of false alarm fees and fines in accordance with the Alarm Ordinance and at the direction of the Alarm Administrator. If Auburn directs PSC to engage a third-party collection organization for delinquent amounts, Auburn shall cause the necessary legislative and administrative procedures to be enacted and/or adopted in order to delegate to the Contractor the authority to collect unpaid fees on behalf of Auburn.

13. **Confidentiality of Auburn False Alarm Data.**

Any false alarm collection data provided to the Contractor during the performance of the FAAS Services shall be used only in a manner consistent with this Contract, and no false alarm collection data shall be disclosed without the prior written consent of Auburn. If such disclosure is compelled or required in any judicial or administrative proceeding, the Contractor shall, before disclosing such information, first notify Auburn and give Auburn an opportunity to object to the disclosure.

In the event Auburn objects to such disclosure, it shall notify the Contractor that it will indemnify it for any costs and expense incurred, including, without limitation, the cost of attorney fees expended in the defense of any action or proceeding, or relating to the refusal to disclose such information.

14. **Auburn Responsibilities.**

A. Auburn shall cooperate with and assist the Contractor by providing management decisions affecting implementation of the FAAS Services within five (5) business days of receipt of Contractor's request for a decision, as well as providing personnel, information, approvals, and acceptances in accordance with a mutually-agreed Implementation Plan to be developed by PSC and Auburn at the start of the Alarm Management Services. This Implementation Plan will define the detailed tasks and schedule necessary to achieve the following program milestones:

- 1) Commence FAAS program implementation activities on the Effective Date;

- 2) Begin collecting and processing alarm permit information via PSC hosted Auburn alarm program website within thirty (30) days of the Effective Date. The initial permit registration process shall be substantially complete within 180 days of the Effective Date;
- 3) Schedule an alarm company meeting to occur within 90 days of the Effective date;
- 4) Train the Auburn Alarm Administrator and other selected Valley Comm staff to access alarm data and reports online within 60 days of the effective date; and
- 5) Update an online Alarm Class within 180 days of the effective date.

The Implementation Plan shall be agreed to in writing by both parties and upon execution by both parties shall be incorporated into this Contract by reference.

B. Auburn shall provide the Contractor with CAD Records, appeals records and other alarm incident information in accordance with the terms of a mutually-agreed implementation plan and in a mutually-agreed format, as necessary and proper, to allow the Contractor to effectively provide the services needed to enforce the Alarm Ordinance.

15. **Auburn Alarm Administrator.**

To facilitate effective communication between Auburn and the Contractor, and in accordance with the Alarm Ordinance, Auburn shall designate an Alarm Administrator. The Alarm Administrator shall have the power and authority to make decisions relating to the FAAS Services. A secondary Alarm Administrator will also be designated to act on behalf of the Alarm Administrator when the primary Alarm Administrator is unavailable. The Alarm Administrators shall be designated by the Chief of Police.

16. **Resolution of Disputes.**

A. *Mediation.* In the event of a dispute between the parties concerning any matter arising under this Contract, the parties shall proceed to good-faith mediation of the dispute. The mediation venue shall be Auburn, Washington. The cost of mediation shall be shared equally.

17. **Termination.**

A. *By Auburn.* Auburn may terminate this Contract for any reason and at any time by giving at least sixty (60) days written notice to the Contractor of such termination and specifying the effective date thereof. If the Contract is terminated by Auburn, the Contractor will be paid for any services already performed. The Contractor shall be liable to Auburn for any damages sustained by Auburn by virtue of any breach of the Contract by the Contractor. In addition, to other remedies it may have in law or equity, Auburn may withhold payments to the Contractor for the purpose of setoff until such time as the exact amount of damages due Auburn from the Contractor is determined.

B. *Termination Within First Two Years.* If this Contract is terminated by Auburn during the first two years, for any reason other than breach by the Contractor, the Contractor shall be entitled to receive its initial startup costs as specified in **Attachment B**, in addition to any FAAS Services fees owed the Contractor as described in Paragraph 18 – Rights upon Termination.

C. *By the Contractor for Cause.* If Auburn substantially changes the Alarm Ordinance by reducing or eliminating the system of false alarm fees collected through its

administrative process, the Contractor shall provide thirty (30) days prior written notice that false alarm fee collections have not been made in accordance with this Contract. If enforcement procedures and/or collection obligations are not changed to the reasonable satisfaction of the Contractor, the Contractor may terminate this Contract after a further thirty (30) day written notice to Auburn.

**18. Rights upon Termination.**

A. If the Contractor is entitled to terminate this Contract, the Contractor shall offer Auburn an option, which must be exercised within thirty (30) calendar days after the Notice of Termination, to purchase a conditional, uninterrupted, non-exclusive and non-transferable license to use the proprietary FAAS Software, CryWolf®, as necessary to support and administer Auburn's Alarm Ordinance conditional on the payment of initial and annual license and services fees at the Contractor's then prevailing rates. Payment of the fees shall be within thirty (30) calendar days of the expiration of each prior paid year.

B. If Auburn terminates this Contract or if the Contractor terminates for cause, Auburn, in addition to payment of false alarm collections owed to the Contractor through the date of termination, shall undertake good faith efforts to collect any FAAS Service fees and civil penalties for Ordinance violations billed, but not yet collected, through the date of termination, in order to pay the Contractor, all amounts due the Contractor as a result of efforts engaged in by the Contractor on Auburn's behalf.

**19. Indemnification.**

A. The Contractor shall indemnify, hold harmless, and defend Auburn, its elected and appointed officials, employees, agents and successors in interest from all claims, damages, losses and expenses including attorneys fees, arising out of or resulting, directly or indirectly, from the Contractor's (or Contractor's subcontractors, if any) performance or breach of the Contract provided that such claim, damage, loss, or expense is not caused by the negligent act or omission or willful misconduct of Auburn or its elected and appointed officials and employees acting within the scope of their employment. This Hold Harmless and Indemnification provision shall in no way be limited by any financial responsibility or insurance requirements and shall survive the termination of this Contract.

B. In the event that a claim is made against the Contractor, which arises out of the negligence or willful misconduct of Auburn or any of Auburn's employees, Auburn shall indemnify the Contractor to the extent Auburn is liable under the law.

C. Any party seeking indemnification shall promptly notify the other party of its discovery of any matter-giving rise to a claim of indemnity. For each individual claim, the indemnifying party shall have no obligation to the other or to any third party with respect to any expenses incurred by or on behalf of the other or its assumption of control of the defense of the claim, or with respect to any compromise or settlement made, without the prior written consent of both parties.

**20. Patent infringement.**

The Contractor shall indemnify Auburn, its elected and appointed officials, officers, employees, agents, and successors in interest from and against all damages and expenses resulting from any infringement action brought against the Contractor, or against Auburn to the

extent that any such action is predicated on the use of Contractor's software, during the term of this Contract. This Hold Harmless and Indemnification provision shall in no way be limited by any financial responsibility or insurance and shall survive termination of this contract.

21. **Limitation of Liability.**

In no event shall either Party be liable to the other for consequential, special, or incidental damages arising out of or relating to performance and nonperformance. This limitation shall apply regardless of the form of action, whether in contract or in tort, including negligence or misrepresentation.

22. **Insurance.**

This Contractor shall provide and maintain in full force and effect at no additional cost to Auburn for the duration of the Contract commercial general liability insurance or comprehensive general liability insurance with a minimum limit of \$1,000,000 per occurrence for bodily injury and damage to property including contractual liability, premises/operations, products/completed operations, independent contractors, broad form property damage, and personal injury coverage and a minimum aggregate amount of \$1,000,000 or commercial/comprehensive general liability insurance plus additional excess umbrella liability insurance to meet these limits.

The Contractor agrees that it shall add Auburn, its elected and appointed officials, officers, employees, agents, and successors in interest to the Contractor's liability insurance policies as additional insureds. The Contractor shall require its insurance carrier or agent to certify that this requirement has been satisfied on all Insurance Certificates issued under this Contract.

Before any work is initiated and before any invoices are paid for work performed under this Contract, the Contractor shall provide written proof of compliance with the above insurance requirements by delivering to:

City of Auburn Police Department  
Attention: Assistant Chief Larry Miller  
340 East Main Street  
Suite 201  
Auburn, Washington 98002

a copy of a certificate or certificates of insurance completed by its insurance carrier or agent certifying that minimum insurance coverages as required above are in effect and that the coverage will not be canceled or changed until thirty (30) days after written notice is given to Auburn. The Contractor shall maintain, update, and renew the Certificate(s) for the term of this Contract.

23. **Assignment.**

This Contract shall not be assigned to any third party without prior written consent, which may be withheld in the sole and absolute discretion of either party.

24. **Attorney's Fees.**

Should the parties or either of them employ an attorney to enforce by litigation in a court of competent jurisdiction, any of the contract provisions because of a disputed matter arising under this Contract, to assert damages for the breach of the Contract, or in order to obtain injunctive



relief, then the prevailing party shall be entitled to recover reasonable attorney's fees, costs, charges, and any expenses expended or incurred.

25. **Notices.**

Wherever under this Contact one party is required or permitted to give notice to the other, such notice shall be deemed given when delivered in hand or when mailed, by United States mail, certified, return receipt requested, postage prepaid, and addressed as follows:

In the case of the Contractor:

Public Safety Corporation  
103 Paul Mellon Court  
Waldorf, Maryland 20602  
Attention: Contract Administration

In the case of Auburn:

City of Auburn Police Department  
Attention: Assistant Chief Larry Miller  
340 East Main Street  
Suite 201  
Auburn, Washington 98002

26. **Governing Law.**

The substantive laws of the State of Washington shall govern this Contract without regard to the law of conflicts. Venue shall be in the Superior Court of King County, Washington. Such actions shall neither be commenced in nor removed to federal court. This section shall not apply to subsequent actions to enforce a judgment entered in actions heard pursuant to this section.

27. **Severability.**

If any provision of this Contract is held invalid or otherwise unenforceable, the enforceability of the remaining provisions shall not be impaired.

28. **No Waiver.**

The failure by any party to exercise any right stated in this Contract shall not be deemed a waiver of the right.

29. **Complete Agreement.**

This Contract when signed by both parties sets forth the entire understanding of the parties as to its subject matter, conditions and obligations and may not be modified except by further written agreement.

30. **Independent Contractors.**

In performing the work under this Contract, the Contractor acts as an independent contractor and is solely responsible for necessary and adequate worker's compensation

insurance, personal injury and property damage insurance, as well as errors and omissions insurance. The Contractor, as an independent contractor, is obligated to pay federal and state income tax on moneys earned. The personnel employed by the Contractor are not and shall not become employees, agents or servants of Auburn because of the performance of any work by this Contract.

[Remainder of Page Intentionally Left Blank]

**WHEREAS**, the individuals representing the parties are both authorized and have executed this Contract effective as of on the date first written above.

**Auburn, Washington**

By: \_\_\_\_\_

ATTEST BY:

\_\_\_\_\_

**AOT Public Safety Corporation**

By: \_\_\_\_\_  
[Authorized Signing Officer]

\_\_\_\_\_  
[Name and Title – please print]

ATTEST BY:

\_\_\_\_\_

## **ATTACHMENT A**

### **FAAS Scope of Services**

#### **Purpose**

The purpose of this Scope of Services is to summarize the duties and responsibilities of AOT Public Safety Corporation ("PSC"), and the City of Auburn, Washington ("Auburn") as described in more detail in the RFP and Proposal in Attachment C.

#### **PSC Responsibilities**

PSC will be responsible for the daily operation of the Program. This will include:

1. Initially importing electronically into PSC's alarm processing system (CryWolf®) database alarm system registration / permit data obtained from Auburn, Auburn Alarm Users and/or alarm companies, as authorized by Auburn;
2. Registering and updating alarm permits in accordance with the Auburn Alarm Ordinance ("Ordinance"). Permit registrations may be processed by mail and online;
3. Importing daily into the PSC alarm billing system, false alarm incident data (in formats prescribed by PSC) extracted from Auburn's CAD/911 System;
4. Initializing, maintaining, securing and backing up Program databases including alarm registration and incident data, alarm-related financial transactions and accounts receivable information. PSC will comply with the provisions of the Ordinance, and update Program business rules to comply with any Ordinance changes;
5. Processing false alarm incident data, including the matching of false alarm incidents with the security alarm registration / permit database maintained by PSC;
6. Billing and corresponding with alarm users in accordance with the Alarm Ordinance provisions. This will include but may not be limited to notifications of false alarms, invoices, and delinquent payment notices;
7. Providing Auburn specific information to include a checklist on false alarm reduction and Ordinance requirements in the first false alarm notice / warning letter sent to alarm users;
8. Answering telephone inquiries from Auburn alarm users that are placed to a false alarm program toll-free customer service number;
9. Processing fee / penalty payments mailed to and deposited in a Auburn-approved bank and received from other payment channels, e.g. online, as agreed on by PSC and Auburn, and applying these payments to alarm accounts;
10. Assisting Auburn in establishing an appeal process that is user friendly to the public to include notifying Auburn of any appeals, providing a City Alarm Program representative with documentation supporting noticing/billing decisions; and updating the system with the disposition of any City hearing results;

11. Providing and maintaining computer equipment, software, mailing equipment and furniture at the Program processing facilities in Waldorf, Maryland;
12. Providing Auburn secure, online, on-demand access to alarm management information and access to reports as described in the RFP and Proposal in Attachment C, including, but not limited to, alarm account transaction history, weekly registration/permit and suspension information, and weekly collections and deposits with format and content specified by the CryWolf® Alarm Management System and the designated Bank, and agreed on between Auburn and PSC; and,
13. Performing special collection functions as approved by Auburn such as retaining third party collection agency, providing delinquent account information to other City agencies and / or filing property liens.

PSC is responsible for all costs of carrying out these responsibilities including, but not limited to, the costs of staff, facilities, equipment and consumable supplies. Only third-party bank and credit card fees, third party collection costs (if any), e.g. collection agency fee, citizen refunds and any special mailing costs (above U.S. First Class postage).

#### **Auburn Responsibilities**

1. Appointing a Auburn Alarm Administrator ("Administrator") who will be the primary point of contact between PSC and Auburn. The Administrator is responsible for overseeing PSC's operation of the False Alarm Management Services Program ("Program") and accessing Program information, as needed, via PSC provided online access;
2. Requesting Alarm Companies to provide alarm system registration information and supporting PSC, as needed, to ensure that Alarm Companies comply with alarm system information requests;
3. Making any and all decisions about alarm call response, determining whether calls are false alarms, providing any on-scene communication of alarm related information to alarm users, and for documenting alarm related information within the Auburn CAD/911 system;
4. Extracting false alarm incident data from the CAD/911 System and transferring this data electronically to PSC (via email or PSC FTP site). Auburn staff are also responsible for entering, or causing to be entered, into the CAD/911 System any false alarm related information that Auburn may choose to display to CAD/911 System operators through the CAD/911 System;
5. Scheduling, conducting and making appeal decisions for any false alarm hearings;
6. Conducting, after consulting assistance from PSC, any general public education programs on false alarms; and,
7. Transferring any and all financial information from the Program generated alarm reports to other Auburn financial systems, as needed.

Auburn is responsible for all costs of carrying out these responsibilities, including, but not limited to the costs of staff, facilities, computer equipment and consumable supplies.

## ATTACHMENT B

### PAYMENT TERMS

#### 1. Revenue Sharing Percentage

For the provision of all services and technology outlined in this contract, PSC shall obtain payment exclusively from the revenues PSC helps generate. There shall be no upfront systems development, licensing, conversion, equipment, travel or other costs. PSC shall purchase, configure, install, and customize all systems and processes PSC requires to provide the False Alarm Management Services described herein. The Revenue Sharing schedule is as follows:

#### **PSC's Percentage Share of Collected Revenue**

|                                  | <u><b>Alarm Fees and Charges</b></u> |
|----------------------------------|--------------------------------------|
| <b>Revenue Years 1 through 3</b> | <b>25%</b>                           |
| <b>Option Years</b>              | <b>25%</b>                           |

The First Revenue Year shall begin when revenue collections begin. The only amounts that shall be paid from the total collected revenue and subtracted from the total collected revenue before the revenue sharing percentages are applied are:

1. Refunds, authorized in writing by Auburn, of amounts paid to alarm users;
2. Bank fees charged by a Auburn-approved bank;
3. Special mailing costs, if any, in excess of U.S. Post Office first class rates; and,
4. Third-party credit card processing charges, if any.

The percentages in the Option Years are proposed targets and are predicated on Auburn extending the contract term to additional Program years. The percentages are also based on several assumptions over which PSC has little or no control:

- The Ordinance fee and fine schedules remain at levels equal to or greater than in Revenue Years 1 through 3;
- Auburn adopts a fair, but firm approach to granting appeals and
- Auburn actively supports enforcement of the Alarm Ordinance, including support of reasonable measures to collect all amounts due for violations of the Ordinance.

#### Payment Terms

Auburn and PSC agree as follows:

1. All alarm permit and false alarm fee collections from any payment method, including but not limited to bank lockbox and online credit card, shall be deposited, as soon as

- practical, in a False Alarm Bank Account ("False Alarm Account") to be established at a mutually agreeable Commercial Bank;
2. Auburn and PSC agree to maintain a positive balance of available funds ("Minimum Balance") at all times in the False Alarm Account;
  3. At the beginning of each month, PSC will reconcile the alarm related deposits for the most recent completed month and report the same to Auburn. Upon Auburn's approval, Auburn and PSC shall authorize and cause the issuance of electronic (ACH) transfers to Auburn and to PSC as follows:
    - a. With regard to the transfer to PSC, the amount will be calculated for PSC based on the Revenue Share Table above. That amount, not to exceed 25% of the revenue collected during the preceding month, shall be transferred to a bank and account authorized by PSC; and,
    - b. The remaining balance, not to exceed 75% of the revenue collected during the preceding month, shall be transferred to a bank and account authorized by Auburn.
  4. At the termination of this Contract, any remaining balance shall be transferred to PSC and to Auburn on the same prorata basis, 25% and 75% respectively.
  5. Auburn is a Washington public entity and all financial obligations extending beyond the current fiscal year are subject to funds being budgeted and appropriated therefore.

#### Delinquent Account Terms

The parties shall define a mutually agreeable process and methods for collecting amounts due from delinquent accounts. If organizations other than Auburn and PSC are retained to collect overdue amounts, the parties agree that the collection costs shall be borne by the parties on a pro-rata basis as follows: PSC 25% and Auburn 75%.

#### Auburn Payment Upon Early Termination (Per Paragraph 17)

If, within the first two (2) years of January 1, 2009, this Contract is terminated by Auburn for convenience under 17A, or is terminated by PSC for cause as defined in Paragraph 17C, PSC shall be due a one time Program Termination fee, not to exceed \$28,800.00, to reimburse PSC for startup costs. This fee shall be in addition to any other amounts due PSC under the Contract. The \$28,800.00 shall be amortized (reduced) on a straight-line basis over the initial two year period.